



Indiana Economic Development Corporation

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March 10, 2007

Sandra L. Jensen  
Hearing Officer  
Natural Resources Commission

Dear Ms. Jensen:

Pursuant to IC 4-22-2-28, the Indiana Economic Development Corporation ("IEDC") has reviewed the economic impact analysis for small business associated with new rules in LSA 06-570 proposed by the Indiana Department of Natural Resources (DNR).

The rule changes add a new section 312 IAC 18-3-20, under the article pertaining to entomology and plant pathology to regulate Brazilian elodea (*Egeria densa*), an exotic plant, as a pest or pathogen. Entities potentially affected by the rule include up to 600 licensed production nurseries and 4,000 retailers that sell plants. However, the DNR estimates that in both cases less than 5% of the businesses conduct trade in Brazilian elodea and are likely to be affected by the rule. Other potentially affected entities include pond owners whose ponds contain Brazilian elodea and businesses that specialize in watercraft removal and storage since they must inspect the equipment as they remove it to be certain there is no Brazilian elodea present. It is not currently possible to estimate what percentage of these entities are small businesses.

Economic impacts associated with the rule consist of time and cost spent eliminating Brazilian elodea from bodies of water, removing Brazilian elodea from watercraft equipment, and potential lost inventory for retailers that can no longer sell Brazilian elodea. Based on previous experiences with Brazilian elodea, the cost of removing the plant from a water body via chemical eradication would be approximately \$1,238 per surface acre. The cost to retailers through lost inventory would depend on the amount of inventory held, but Brazilian elodea typically retails for \$1.00 to \$1.50 per bunch and it is expected that retailers who sell the plant maintain approximately 100 bunches in inventory. Also, there are many other alternative plants that could be sold to replace revenue lost by eliminating sales of Brazilian elodea.

The IEDC does not object to the economic impact associated with the proposed rule. The anticipated costs associated with the rule are reasonable given the environmental and financial costs of Brazilian elodea infestation in bodies of water. If the species escapes into a lake or pond, it can displace native aquatic plants, cause fish population imbalances, and reduce recreational opportunities. Eliminating Brazilian elodea from lakes and ponds can be difficult and expensive. A project to eliminate Brazilian elodea from 109 acre Griffy Lake in Bloomington cost nearly \$70,000 for just one year. If you have any questions about the comments contained herein please contact me at 232-8962 or [rasberry@iedc.in.gov](mailto:rasberry@iedc.in.gov).

Regards,

Ryan Asberry  
Director – Research  
Indiana Economic Development Corporation